

25X1A

CONFIDENTIAL

Security Information

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Additional Facilities for CIA [redacted] Warehouse

25X1A

1. Under Project DD/A-92-51 (Administrative Services), and as a result of Project Review Committee review and recommendation, the Director of Central Intelligence under date of 4 May 1951 approved the leasing of a warehouse building which was to be constructed under a lease between Public Buildings Service, GSA, and [redacted] at an annual cost of not to exceed \$308,000.

2. Due to a number of factors, construction of the warehouse building was not begun until December 1952. In the interim period between the date of approval of the project and March 1953, the Agency's program changed and increased in magnitude, resulting in the necessity for modifying the warehousing and other Agency requirements. These requirements were communicated in March 1953 to Public Buildings Service, GSA, who discussed them with the contractor and it was understood that the contractor would provide certain facilities and additions estimated to cost approximately \$317,000. It is understood that these items were to be totally financed by the lessor and would result only in an increased annual rental of approximately \$17,000. However, the lessor within the past few days has notified Public Buildings Service that due to the fact that private financing institutions did not feel that these facilities would enhance the value of the property, the lessor was unable to obtain additional financing necessary to construct and provide the facilities. Notice of this fact was received by the Agency on 24 June 1953.

3. A review of these requirements has recently been made and it was found that the bare minimum for the efficient operation, security, and safety of the warehouse facilities requires the following items:

CONFIDENTIAL

Security Information

Document No.	001
No Change in Class.	<input checked="" type="checkbox"/>
Class. Change	<input type="checkbox"/>
Class. Change	TS S C
Author	W. J. 2
Date	29 June 1953
By	013

~~CONFIDENTIAL~~

Security Information

	<u>Estimated Cost</u>
Fence	\$ 12,300
Electrical facilities necessary for packing and crating	28,900
Butler-type building 32' X 60' for storage of packing materials	16,000
Butler-type building 12' X 30' for maintenance shop in which inflammable materials and those subject to spontaneous combustion will be used	3,000
Re-erect Butler building (To be moved from Warehouse)	3,000
2000 gallon Gas Storage Tank	2,000
1000 gallon Diesel Oil Storage Tank	2,000
Spur track extension	3,600
Electrical	<u>13,000</u>
	\$ 83,800
Administrative Cost 10%	<u>8,380</u>
	92,180
Profit 10%	<u>9,218</u>
Total	\$101,398

25X1A

4. Activities of the Offices of Logistics and Communications are now occupying this property, having vacated other buildings during the past two weeks. It is intended that an activity of the Technical Services Staff, DD/P, will later occupy a portion of this building. The above list of items does not represent all of the facilities required and a restudy of these facilities will be made and recommendations submitted as to the procedure to be followed in providing them.

5. One of the principal difficulties in providing the additional facilities is the fact that we will be improving leased property in which the government has only a leasehold interest. However, we are confronted with the situation today which was not anticipated. We, therefore, have reduced the requirements to only those immediately essential to efficient operation. For example, the fence estimated to cost \$12,300 will, through reducing the cost of guard protection, actually save \$80,000 per annum. The erection of the 2 Butler-type buildings will eliminate dangerous fire hazards to the millions of dollars worth of property stored in the warehouse building. The gasoline and diesel oil tanks are needed because of the large number of vehicles which will be operated by the Logistics Office supporting the warehouse functions.

~~CONFIDENTIAL~~

CONFIDENTIAL
Security Information

6. The budget for the fiscal year 1953 included funds in the amount of \$308,000 for the financing of the rental of the warehouse building and of the facilities. However, the building was not occupied until the latter part of May and therefore approximately \$283,000 would not be expended for the rental purpose. In view of these circumstances, it is believed that clearance with the Bureau of the Budget is not required.

7. It is, therefore, recommended that the Director approve the expenditure of approximately \$101,398 out of funds available for the fiscal year 1953. Recommendations will be submitted during the fiscal year 1954 with regard to other facilities mentioned above with funds available during that fiscal year.

WALTER REID WOLF
Deputy Director
(Administration)

APPROVED:

Director of Central Intelligence

Date: _____

June 27, 1953

Note: Mr. Wolf disapproved total but approved expenditure of not to exceed \$25000.00 for fence, lights, oil & gas tanks and butter fuel

25X1A



CONFIDENTIAL

Security Information